D R A F T

2/2/94

AGREEMENT

THIS AGREEMENT is made as of the 1st day of February, 1994, by and between Philip Morris Incorporated, a Virginia corporation with executive offices located at 120 Park Avenue, New York, New York 10017 ("Philip Morris"), and SEE FACTOR INDUSTRY, INC., a New York corporation with executive offices located at 37-11 30th Street, Long Island City, New York 11101 ("SFI").

1. Services

SFI will perform technical production services, which will include the following, for Philip Morris and its **MARLBORO Music Military, State Fair and Hispanic Concerts** to be held at locations and on the dates set forth on Exhibit A (the "Concerts"). SFI will:

(a) provide the personal services of Mr. Sheldon Diamond, which are the essence of the Agreement;

(b) provide the personal services of an operating crew reasonably satisfactory to Philip Morris, which will include: production manager, site coordinator, master carpenter, master electrician, labor supervisors, light crew, sound crew, drivers and other personnel required for the staging, lighting, provision of sound and other technical services in connection with the Concerts (the "Operating Crew"); if at any time Philip Morris is dissatisfied with the performance of any member of the Operating Crew, Philip Morris will immediately notify SFI and SFI will replace the member of the Operating Crew with a member of the Operating Crew satisfactory to Philip Morris;

(c) provide supervision and support to the Operating Crew;

(d) provide technical assistance and advice to Philip Morris and third parties designated by Philip Morris on all matters relating to the staging, lighting and sound at all Concert locations;

(e) if and when requested by Philip Morris, provide the following additional services with respect to equipment, machinery, systems, materials and accessories (the "Equipment"):

(1) supply and operate Equipment necessary for the first-class professional production of the Concerts in a safe and secure manner and maintain and repair Equipment. SFI warrants that all Equipment will be in good operating condition during all Concerts;

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(2) supervise the assembly of Equipment prior to each Concert and the dismantling of Equipment subsequent to each Concert; and

(3) safely and securely transport the Equipment, as and when directed by Philip Morris prior and subsequent to each Concert;

(f) cooperate with representatives of Philip Morris and third parties designated by Philip Morris;

(g) be available to meet at reasonable times with Philip Morris representatives at Philip Morris headquarters in New York or other locations designated by Philip Morris; and

(h) render other services reasonably requested by Philip Morris in connection with the Concerts and perform in a professional manner throughout the term of the Agreement.

2. Payment

In consideration for the services rendered by SFI, Philip Morris will pay SFI $122,400. Philip Morris will pay SFI $10,000 upon submission of an invoice within thirty days of execution of the Agreement; nine monthly payments of $10,000 within thirty days after submission of an invoice on the first day of the month beginning on March 1, 1994 and continuing through November 1, 1994; and the balance of $22,400 within thirty days of submission of an invoice and complete performance, including submission of the wrap-up report, to the reasonable satisfaction of Philip Morris.

3. Expenses

Philip Morris will pay budget advances to SFI in accordance with the Operating Budget delivered by SFI, approved by Philip Morris and attached as Exhibit B. Total expenses are not to exceed the total of estimated expenses included in the Operating Budget approved by Philip Morris without the advance written approval of Philip Morris. The budget advances may be used only for approved expenditures in the categories set forth in each Operating Budget. SFI may not apply funds allocated to one budget category to expenses incurred in another category without the prior approval of Philip Morris. Upon application of the advance to expenses, SFI will deliver to Philip Morris, on a monthly basis, itemized invoices for the expenses incurred. When Philip Morris delivers to SFI a budget advance for expenses based the Operating Budget, SFI will, within thirty days after receipt of the advance, deliver a written reconciliation of the advance and the actual amount incurred by SFI during the time period covered in the itemized invoice. If the advance exceeds the

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actual amount incurred, Philip Morris will deduct the amount of the difference from the amount due SFI in the next succeeding invoice to be delivered by SFI to Philip Morris. All expenses of $20 or more must be submitted with receipts. All expenses incurred in excess of $250 must be approved in advance by Philip Morris. Total expenses are not to exceed $817,500 without Philip Morris's advance approval. On or before December 1, 1994, SFI will provide Philip Morris with a total reconciliation for the advances described herein. SFI will immediately refund to Philip Morris all advanced funding not utilized prior to December 1, 1994.

4. Term, Termination and Renewal

(a) The term of the Agreement will commence as of the date of the Agreement and continue until the later of December 31, 1994 or the complete performance of all services to the reasonable satisfaction of Philip Morris.

(b) Philip Morris may terminate the Agreement for SFI's material breach of the Agreement upon thirty days advance written notice to SFI. If SFI cures, to the reasonable satisfaction of Philip Morris, any curable breach within five days of SFI's receipt of notice of termination, the Agreement may not be terminated.

(c) If the Agreement is terminated, Philip Morris will remain obligated to pay SFI amounts due for disbursements or binding commitments to make disbursements properly incurred prior to termination. The payments will be made within twenty days of Philip Morris' receipt of notice from SFI as to such amounts. Philip Morris will have no obligation for disbursements made or obligations assumed after the date of termination. SFI will provide Philip Morris with a final accounting of outstanding obligations incurred prior to the notice of termination within sixty days of SFI's receipt of written notice of termination. SFI will assign to Philip Morris or its designated agent all of SFI's interests, rights and obligations under agreements entered into by SFI with respect to the Concerts within thirty days of SFI's receipt of written notice of termination.

(d) Philip Morris, by written notice given to SFI no later than December 31, 1994, may in its sole discretion elect to renew this Agreement for one additional year. If Philip Morris elects to renew the Agreement, all terms of the Agreement shall be incorporated in any renewal, except for appropriate date changes, payment terms and as may otherwise be agreed between the parties. The parties will negotiate terms in good faith and memorialize their agreement in a separate writing.

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5. Records

SFI, its employees and agents will maintain detailed and accurate books and records of account with respect to services performed, and will provide periodic reports as and when requested by Philip Morris and a final accounting within thirty days of the conclusion of the last Concert. Records of disbursements must indicate the check number, dollar amount, identity of the payee and reason for the expenditure. The final accounting must include an itemization of all expenses incurred and must be certified by an appropriate officer or authorized representative of SFI. Philip Morris or its agents have the right, at Philip Morris's expense, to inspect, review and copy SFI's books and records from time to time, at reasonable times and places throughout the term of the Agreement and for six months thereafter, to determine the correctness of the accounting, as well as SFI's compliance with its other obligations hereunder.

6. Confidentiality

SFI, its employees and agents will hold strictly confidential all information and materials provided by Philip Morris to SFI or created or acquired by SFI in performing the Agreement. The information and materials will remain the property of Philip Morris. SFI will not use or disclose such information and materials for any purpose other than to fulfill its obligations under the Agreement and will cause the information and materials to be retained in complete confidence and prevent the improper use or disclosure thereof by SFI's employees, agents, contractors and subcontractors, unless authorized to do so in writing by Philip Morris. Upon termination or expiration of the Agreement, or within thirty days thereafter, SFI will return all confidential information and materials to Philip Morris. SFI will not disclose the terms or the existence of the Agreement to third parties without the prior written consent of Philip Morris except as is necessary for the performance of its obligations hereunder. SFI's obligation to maintain confidentiality will survive the termination or expiration of the Agreement.

7. Ownership

All material prepared or developed by SFI in connection with the Agreement will become the property of Philip Morris and SFI hereby agrees to assign to Philip Morris any and all rights to copyright the material. SFI will require that all employees, consultants and subcontractors performing creative services in connection with the Agreement agree to assign the materials they produce to Philip Morris and to acknowledge, in writing, that their copyrightable contributions are owned by Philip Morris.

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8. Third Party Contacts

If at any time SFI is contacted by a third party, including the media, other than as contemplated by the terms of the Agreement, concerning its activities on behalf of Philip Morris, SFI will make no comment, immediately notify Philip Morris of the third party contact, and refer the third party to Philip Morris, Director, Event Marketing.

9. Indemnity

SFI agrees to indemnify and hold harmless Philip Morris, its affiliates and each of their respective officers, employees, directors and agents from any claim, liability, cost or expense, including reasonable attorneys' fees, that arise from, or may be attributable to any error, omission or fault of SFI. SFI's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

Philip Morris agrees to indemnify and hold harmless SFI, its affiliates and each of their respective officers, employees, directors and agents from any claim, liability, cost or expense, including reasonable attorneys' fees, that arise from, or may be attributable to any error, omission or fault of Philip Morris. Philip Morris' obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

10. Independent Contractor

Each of SFI and Philip Morris is an independent contractor of the other and this Agreement shall not be construed to create an association, partnership, joint venture, relation of principal and agent or employer and employee between Philip Morris and SFI or any of SFI's agents within the meaning of any federal, state or local law. SFI will not enter into an agreement, oral or written, on behalf of Philip Morris or otherwise obligate Philip Morris without having previously obtained Philip Morris' written approval.

11. Exclusivity

During the term of the Agreement, and for six months thereafter, SFI will not, without the prior written consent of Philip Morris, engage in technical production or similar activities for any company or entity the business of which competes with any tobacco product of Philip Morris.

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12. Insurance **[Subject to Philip Morris Risk Management Department review]**

No later than ten days prior to the commencement of each Concert, SFI will deliver to Philip Morris certificates of insurance evidencing coverage for: (i) comprehensive general liability, including advertiser, contractual, spectators' and participants' liability, with a combined single limit of no less than $1,000,000 per occurrence for bodily injury, including personal injury and property damage; (ii) comprehensive automobile liability for all owned, non-owned and hired vehicles with bodily injury limits of no less than $1,000,000 per person, $1,000,000 per accident and property damage limits of no less than $1,000,000 per accident; and (iii) statutory worker's compensation coverage meeting all state and local requirements, including coverage for employer's liability with limits of no less than $500,000.

The certificates required by subparagraphs (i) and (ii) must name Philip Morris Incorporated, its affiliates, employees and assigns as additional insureds and must state that Philip Morris will be provided at least thirty days advance, written notice of a cancellation or modification of the insurance. The insurance must be primary coverage without right of contribution from any other Philip Morris insurance. Insurance maintained by Philip Morris is for the exclusive benefit of Philip Morris and will not inure to the benefit of SFI. SFI will procure comparable certificates of insurance from all subcontractors of SFI and the insurance must name Philip Morris and its affiliates, agents, representatives, employees and assigns as additional insureds.

13. The MARLBORO Name

SFI recognizes and acknowledges that the **MARLBORO** name and the designs, emblems, slogans and insignia of **MARLBORO** and **MARLBORO Music** have great value and goodwill and are the sole property of Philip Morris, and SFI agrees that it has and will claim no right, title or interest to or in the same or the right to use the same except in accordance with the terms and conditions of this Agreement.

14. Miscellaneous

(a) This Agreement and all matters collateral hereto, shall be governed by the laws of the State of New York applicable to agreements made and to be performed entirely within the State of New York.

(b) SFI will comply fully with all applicable laws, regulations, and ordinances relating to its performance hereunder. SFI acknowledges that it is cognizant of the

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provisions of Title 15, Section 1331, et seq. of the United States Code.

(c) This Agreement is the complete agreement between the parties and supersedes any prior oral or written agreement between the parties regarding the performance by SFI of the services.

(d) If any provision of this Agreement is held invalid or unenforceable, the remaining provisions will remain in effect.

(e) This Agreement may not be amended or assigned except in a writing signed by both parties. If an assignment occurs, the assignment will not relieve the assigning party of its liabilities and obligations hereunder. The Agreement is binding upon successors and assigns of the parties. A waiver by either party of any of the terms and conditions of the Agreement in one or more instances will not constitute a permanent waiver of any term or condition of the Agreement.

(f) Notices provided shall be in writing and sent by certified mail, return receipt requested, to the respective parties at their addresses set forth above. Notices to SFI will be sent attention: **[Mr. Robert See] [Mr. Sheldon Diamond].** Notices to Philip Morris will be sent attention: Director, Event Marketing.

SEE FACTOR INDUSTRY, INC.	PHILIP MORRIS INCORPORATED
By:_____	By:_____
Title:_____	Title:_____
Taxpayer ID#:_____	
Filing Status:_____	

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SEE FACTORY CONTRACT

EXHIBIT A

CONTRACT VENUES	LOCATION	SHOW DATES
Calle Ocho Festival	Miami, FL	March 13, 1994
L.A. Fiesta Broadway	Los Angeles, CA	May 1, 1994
Summer Lights Festival	Nashville, TN	June 2-5, 1994
Alamodome Baile Tejano Concert	San Antonio, TX	June 5, 1994
Del Mar Fair ✓	Delmar, CA	June 14, 1994
Twentynine Palms ✓	Palm Springs, CA	July 20, 1994
Kirtland AFB ✓	Albuquerque, NM	July 22, 1994
Fort Bliss ✓	El Paso, TX	July 23, 1994
Naval Air Station ✓	Corpus Christi, TX	July 29, 1994
Fort Hood ✓	Killeen, TX	July 30, 1994
Wisconsin State Fair ✓	Milwaukee, WI	August 4, 1994
~~Pan American~~	Chicago, IL	August 6, 1994
Montana Fair ✓	Billings, MT	August 13, 1994
Western Washington Fair ✓	Puyallup, WA	September 9, 1994
State Fair of Oklahoma ✓	Oklahoma City, OK	September 16, 1994
Virginia State Fair ✓	Richmond, VA	September 30, 1994
Arizona State Fair ✓	Phoenix, AZ	October 13, 1994
Perfect Combination	New York, NY	October 22, 1994

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